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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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25 YEAR RE-REVIEW

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1. The German-Russian shipping firm, DERUTRA (Deutsch-Russische Transport A.G. - DERUTRA A.G.) was originally organized sometime between 1924 and 1926 with equal distribution of stocks: 50% German and 50% Russian. Officially, the firm was organized for the purpose of shipping goods on German territory. At approximately the same time two other German-Russian firms were organized: German-Russian Oil Trading and Shipping Firm, DERUNAFT A.G., and German-Russian Air Shipping Company, DERULUFT A.G. All three companies were in operation until Hitler came to power. They were abolished sometime around 1936.
2. After World War II, in approximately 1946, DERUTRA A.G. was re-established. DERUNAFT A.G. was also reestablished at about the same time. DERUTRA was located in the Soviet Sector of Berlin on an unidentified street very close to the French Sector. After the war DERUTRA stock was entirely in Soviet hands. For some time the capital was 1,000,000 Eastmarks but was eventually increased to 10,000,000 Eastmarks. The official stockholders were originally Soviet employees of DERUTRA. However, this policy aroused protests from high Party functionaries who considered it undemocratic and contradictory to the Communist conception of property. Therefore, in 1949, all DERUTRA stocks were transferred to the ownership of the All-Union Association, USSR Oil Export Company (Vsesoyuznoye ob'yedineniye SoversoNefteksport). The Chief of the Legal Department, USSR Trade Mission in Germany, VYZHANOV, appeared as plenipotentiary of the stockholder in Germany. In this position he was actually the sole boss of DERUTRA. When reestablished after the war, DERUTRA officially was given its former task -- transport and shipment of freight.

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3. A rather peculiar situation appeared in the problem of subordination of DERUTRA. Although the sole stockholder was the All-Union Association of the USSR Oil Export Company, DERUTRA was subordinate to the All-Union Association IranSovTrans (in 1951 reorganized and renamed USSR Foreign Shipping Company -- Soyuz-VneshTrans), located in Moscow on Smolenskaya Ploschad'. Apparently it was considered unethical for IranSovTrans, which was effecting DERUTRA shipments on Soviet territory and was paid for this by DERUTRA, to be the owner of DERUTRA at the same time.

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4. DERUTRA had a number of branch offices (kontora) in East Germany. They were of two types:

- a. Maritime offices (morskiye). There were three such offices: Rostock, Warnemünde, and Schwerin.
- b. Interior offices (sukhoputnyye). These were located in Berlin, Dresden, Leipzig, Erfurt, Cottbus, Magdeburg, and Chemnitz.

All branch offices had Soviets in the positions of branch office director and chief accountant. All other employees of the branch offices were German.

5. Until 1951, when a second shipping company (name unknown) was organized in East Germany (this one with German stock), DERUTRA was the only shipping company in East Germany; all shipments in East Germany were handled by DERUTRA. For the purpose of efficient handling of shipments, goods were divided into three large categories:

- a. USIG shipments.
- b. Shipments of the Soviet Trade Mission in East Germany.
- c. All other shipments.

6. The organization of DERUTRA was as follows:

As General Director of DERUTRA an individual was appointed [redacted] 25X1
 [redacted] 25X1
 Who actually never came to Germany. During his absence his job was performed by his deputy, PETROV,¹ who was appointed General Director in mid-1951. Another high official of DERUTRA was KOZLOV, Director Chief Accountant. There was also a German Director of DERUTRA, Dr. SCHLIMME.² DERUTRA's front office was composed of the following sections (otdely):

- a. Section of Interior Branch Offices. The head of this section was ZHINKIN.
- b. Section of Maritime Branch Offices. The head of this section was PETUKHOV.
- c. Finance Section. Head unknown.
- d. Planning Section (Uchetno-Planovyy). Head of this section was KRYLOV.
- e. Accounting Office. Head of this section was KOZLOV.

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f. Legal Section. Head of this section was Mrs. VYZHANOV.

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The section was responsible for settling claims and arranging for arbitration and court procedures in case of any disagreements with clients.

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The problems were mainly connected with the handling of correspondence which, at DERUTRA, was usually classified. A German lawyer was also on duty with this section.

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g. Personnel Section. Head unknown.

h. Administrative Housekeeping Section.

i. Central Motor Pool with a large number of trucks for transporting freight.

j. Dispatcher's Office. Head unknown. This office was responsible for movement of freight.

In addition to the heads of sections, the chief accountants of each section were also Soviet citizens. All other employees were German nationals.

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7. In order not to arouse envy and dissatisfaction among German employees of DERUTRA, the Soviet employees were officially paid salaries equivalent to the Germans. From the Soviet Trade Mission in Berlin they were additionally paid the same amount monthly in Marks (doplate). In other words, they were paid twice as much as the German employees, plus the equivalent in rubles deposited in the Soviet Union.

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The salary of Dr. SCHLIMME, the German Director of DERUTRA, was only 1,500 Marks monthly.

8. Since DERUTRA profits were officially subject to East German tax regulations, all sorts of tricks were used to avoid the payment of these taxes. The most common way was the preparation of faked invoices to IranSovTrans for alleged (never performed) services in transportation of DERUTRA freight through USSR.

9. in Karlshorst was an apartment house belonging to the Soviet Trade Mission and all employees of the Trade Mission and DERUTRA were accommodated there.

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10. DERUTRA was scheduled to discontinue its operations after the abolishing of USIG.

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